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| <b>Date Issued</b>      | 29 November 2012   |
| <b>Department</b>       | Asset Management   |
| <b>Title</b>            | <b>Chargeable Repair Service</b>   |
| <b>Objective</b>        | To minimise the loss of income through the prompt and effective recovery of chargeable repair costs. |
| <b>Responsible</b>      | <b>Director of Asset Management</b>  |
| <b>Next Review Date</b> | <b>December 2017</b>   |

## 1.0 **Policy**

- 1.1 We will carry out chargeable repairs with the express agreement of the tenant or owner, provided there are no unpaid chargeable invoices outstanding. The only exception to this will be when an emergency repair is necessary because of damage caused by the tenant.
- 1.2 We reserve the right to insist that the specification of a major component meets our current standard. This is to ensure that the quality of major components, such as the replacement of external doors is not compromised.
- 1.3 We will recharge owners for the costs incurred by us, on their behalf, such as building insurance, maintenance/mutual repairs and landscape and gardening services. An administration fee will be included in the overall fee to contribute towards our administration costs and arranging of the services.
- 1.4 We will take reasonable steps to recover costs where we have carried out work. We will consider the potential costs in time and money to the Association when trying to recover costs.
- 1.5 We will not recharge mutual owners for shared costs without their written agreement, except for emergency repairs carried out to safeguard the occupants and protect the property.
- 1.6 We will encourage mutual owners to carry out repair work when we are the minority owner and will pay our share of the agreed costs. However, we will consider a request from the majority owners to provide a cost for the work, and may carry out the work on their behalf provided we have the written agreement of all owners (see also paragraphs 3.4 and 3.5).
- 1.7 We will cancel owners' building insurance where payment is not received within the specified time. If this happens, we will notify their mortgage lender, if known, that the building insurance is not paid, putting the property at risk.

- 1.8 We will consider recharging tenants for abortive emergency call-outs.
- 1.9 When a chargeable repair is to be charged at the end of a tenancy, we will make every effort to contact the former tenant to make a suitable arrangement to clear the debt.
- 1.10 All outstanding former tenant and owner debts will be referred to a debt collection agency apart from those where an arrangement to pay has been made and is being maintained; and those arising from a tenants death, if we know that there is no estate. Such cases will be considered for writing off.
- 1.11 The following repairs are recognised as those that we would generally recharge for as they are the tenants responsibility. This list is not exhaustive:
- Boarding up windows and doors
  - Reglazing windows
  - Forcing entry
  - Forcing entry and changing the locks
  - Changing locks
  - Replacing internal doors
  - Replacing bathroom fittings (wash hand basins, w.c.s and cisterns)
  - General damage by the tenant
- 1.12 Both the costs of chargeable repairs and the administrative fee will be reviewed on an annual basis. The increase in the Administration Fee will be based upon RPI at 31 December each year. The increase in the chargeable repair cost will be based upon the actual cost increase incurred. Both increases will be applied from 1 April the following year.

## **2.0 Current Tenant Chargeable Repairs Procedure**

- 2.1 When a repair is chargeable, we will advise the tenant :
- That the repair is their responsibility
  - The cost of doing the work on their behalf
  - That they can arrange the repair themselves using their own contractor
  - That we reserve the right to replace major components to our minimum current standard
- 2.2 We will tell the tenant of the total cost of the repair,(which includes VAT and an administration fee) from the attached list of charges (Appendix 1). These costs are reviewed annually, in April of each year. If the chargeable repair is not a common repair for which we hold costs, we will advise the tenant that we will obtain a cost (which will include VAT and administrative charge) and revert back to them within an agreed timescale before proceeding any further.

- 2.3 We will raise a works order when the tenant has accepted the price quoted and will write to them, confirming the details of the repair ordered, the agreed cost and the contractor who will carry out the work.
- 2.4 We will maintain a record of all issues relating to chargeable repairs. This will include a record of phone calls, contact with contractors and any variations to the works order.
- 2.5 Our Finance Department will send an invoice to the tenant within 30 days of receiving notification from the contractor that the work is complete.
- 2.6 Tenants must pay invoices within 14 days of receipt. If the invoice is not paid within this period we will send a reminder letter giving them a further 14 days to pay. If the costs are still not paid, we will send a further reminder letter giving them a further 7 days to pay. We will consider sending the debt to a debt collection agency if the invoice remains unpaid.
- 2.7 As an incentive to pay, we will give those tenants who pay the invoice within 14 days of it being sent to them a discount of £25 off the total cost.
- 2.8 If an invoice remains unpaid we will not instruct any further chargeable repairs on behalf of the tenant until the invoice is paid or a suitable arrangement to pay the outstanding debt is agreed and being maintained. However, both the Asset Manager and Housing Manager have discretion to order further chargeable repairs in exceptional circumstances only. For example if a chargeable repair is required to make the property wind and watertight or for health and safety reasons.
- 2.9 If a tenant terminates their tenancy and the invoice remains unpaid, we will remind them that they must clear the debt before the termination date.
- 3.0 Mutual Repairs Procedure**
- 3.1 We will prepare and price a detailed schedule of works for common repairs involving mutual owners.
- 3.2 Once the price has been established, we will inform each mutual owner, in writing of:
- Details of the proposed repair
  - The estimated cost of the work, and their share of the costs
  - That they can arrange the repair themselves using their own contractor.
- 3.3 We will ask all owners to confirm that they agree to the work being carried out and that they accept responsibility to pay their share of the cost. This cost will include VAT and an administration fee.

- 3.4 If a majority of owners agree that the work should go ahead, we will inform all of the owners that the majority has agreed and will proceed with the work.
- 3.5 If a majority of owners agree that the work should go ahead, but we are a minority owner, we will decide whether we want to proceed with the work or advise the majority owners to organise the repair themselves. An example of when we may do the work is if there is a health and safety issue.
- 3.6 If we proceed with work, we will instruct the contractor to carry out the repair according to the schedule of work at the agreed price.
- 3.7 The majority procedure described at 3.4 will apply to the repair of common parts only and does not include improvements such as door entry systems. Improvements require the consent of all owners.
- 3.8 Before the work starts, we will provide each owner with:
- The contractors name, and contact details
  - The date when work will begin
  - The length of time the work will take
- 3.9 We will keep owners fully informed, in writing, of any changes that affect the progress or cost of the work.
- 3.10 We will maintain a record of all issues relating to the repair. This will include:
- A record of phone calls and correspondence
  - Contact with the contractor
  - Contact with owners
  - Variations to the work
- 3.11 The Finance Department will send an invoice to each owner within 30 days of receiving notification that the work is completed.
- 3.12 As an incentive to pay, we will give those owners who pay the invoice within 14 days of it being sent to them a discount of £25 off the total cost.
- 3.13 Invoices must be paid within 14 days of receipt. If the invoice is not paid, the Finance Department will send a reminder letter giving the owner a further 14 days to pay. If the invoice is still not paid, or a suitable arrangement to pay has been agreed and not maintained we will send a final letter giving the owner a further 7 days before passing the debt to a debt collection agency for recovery.

#### **4.0 Correspondence**

- 4.1 All correspondence to mutual owners, including invoices, must be addressed using the owner's name. We will make every effort to establish the name of the owner prior to the repair being instructed.

#### **5.0 Former Tenant Chargeable Repairs**

- 5.1 We will regularly monitor all former tenant chargeable repairs.
- 5.2 When the forwarding address of the tenant is known, we will contact them to make a suitable arrangement to repay the debt. If no contact is made within 14 days, we will send a further reminder letter. If there is still no contact, we may pass the debt to a debt collection agency for recovery.
- 5.3 If a tenant has died and we know that an estate has been left, we will contact the Executor to attempt to recover the debt. If there is no Executor, we will consider writing off the debt.

#### **6.0 Monitoring and Performance**

- 6.1 The Housing and Property Services Sub-Committee will monitor performance through the submission of quarterly reports.
- 6.2 The Finance and Audit Sub Committee will approve any write offs.
- 6.3 Detailed procedures are provided to staff to ensure that this policy is operated effectively.

#### **7.0 Review of Policy**

- 7.1 The Director of Asset Management will ensure that this policy is reviewed every five years and that any amendments required are submitted to the Housing and Property Services Sub-Committee for approval.